

REMARKS:

Claims 1-5 and 7-13 are presented for examination. Claim 1 is amended hereby. Claims 6 and 14-56 are cancelled, without prejudice or disclaimer.

The Examiner objects to claims 26, 42 and 45-56 as allegedly being substantial duplicates of claims 14, 1 and 2-13.

Applicant does not necessarily concur with the Examiner in the Examiner's analysis of claims 26, 42 and 45 and claims 14, 1 and 2-13.

Nevertheless, in order to expedite prosecution of the application, each of claims 26, 42 and 45-56 has been cancelled.

Therefore, it is respectfully submitted that the objection to claims 26, 42 and 45-56 has been rendered moot.

The Examiner rejects claims 14-41 under 35 U.S.C. 101 because the claimed invention is allegedly directed to non-statutory subject matter.

Applicant does not necessarily concur with the Examiner in the Examiner's analysis of claims 14-41 under the applicable rules and regulations.

Nevertheless, in order to expedite prosecution of the application, each of claims 14-56 has been cancelled.

Therefore, it is respectfully submitted that the rejection of claims 14-41 under 35 U.S.C. 101 has been rendered moot.

Reconsideration is respectfully requested of the rejection of claims 1-5 and 7-13 under 35 U.S.C. 103(a) as allegedly being unpatentable over "Dictionary Of Finance And Investment Terms", hereinafter "Downes" in view of U.S. Patent 5,963,923, hereinafter "Garber" (of note, it is respectfully noted that the cancellation of claims 6 and 42-56 has rendered their rejection moot).

On page 3 of the May 18, 2006 Office Action, the Examiner asserts that Downes discloses paying a dividend equivalent by the second party to the first party (see "floating rate," page 613). Since the floating rate of the interest rate swap discussed by Downes is clearly not identical to the dividend equivalent currently claimed, the Examiner must go on to assert that a "dividend equivalent is essentially a floating interest rate based upon the stock price".

Initially, it is noted that the claimed dividend equivalent relates to the value of a security's dividend, not necessarily the security's price.

In any case, it is respectfully submitted that this latter assertion by the Examiner to the effect that a dividend equivalent is essentially a floating interest rate based upon the stock price is simply unsupported by a plain reading of the disclosure of Downes and, in fact, represents the use of impermissible hindsight to attempt to reconstruct the claimed invention.

If the Examiner is of a different opinion, it is respectfully submitted that clarification be provided. For example, where, specifically, in the Downes' discussion of an interest-rate swap is it indicated that the floating rate portion is based upon either: (i) a dividend of a security (as claimed); or (ii) a stock price (as discussed by the Examiner)?

Thus, it is respectfully submitted that independent claim 1 (the sole pending independent claim) is patentably distinct for at least this reason.

Therefore, it is respectfully submitted that the rejection of claim 1 (as well as claims 2-5 and 7-13, which depend therefrom) under 35 U.S.C. 103(a) as allegedly being unpatentable over Downes in view of Garber has been overcome.

Regarding the rejection of claims 14-26, 30-32 and 39-41 under 35 U.S.C. 103(a) as allegedly being unpatentable over Garber, it is respectfully submitted that applicant does not necessarily concur with the Examiner in the Examiner's analysis of these claims and the Garber reference.

Nevertheless, and as mentioned above, in order to expedite prosecution of the application, each of claims 14-26, 30-32 and 39-41 has been cancelled.

Therefore, it is respectfully submitted that the rejection of claims 14-26, 30-32 and 39-41 has been rendered moot.

Regarding the rejection of claims 27-29 and 33-38 under 35 U.S.C. 103(a) as allegedly being unpatentable over Garber in view of Downes, it is respectfully submitted that applicant does not necessarily concur with the Examiner in the Examiner's analysis of these claims and the Garber and Downes references.

Nevertheless, and as mentioned above, in order to expedite prosecution of the application, each of claims 27-29 and 33-38 has been cancelled.

Therefore, it is respectfully submitted that the rejection of claims 27-29 and 33-38 has been rendered moot.

Accordingly, it is respectfully submitted that each objection and rejection raised by the Examiner in the May 18, 2006 Office Action has been overcome and that the above-identified

application is now in condition for allowance.

Finally, it is noted that this Amendment is fully supported by the originally filed application and thus, no new matter has been added. For this reason, the Amendment should be entered.

Favorable reconsideration is earnestly solicited.

Respectfully submitted,
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